

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products. The Key Information Document (“KID”) was last updated on 30/08/2022.

Product

The manufacturer of this product is [Trade Capital Markets Limited](#) (“TCM” or “the Company”), authorised and regulated by the [Cyprus Securities and Exchange Commission](#) (“CySEC”), license number [227/14](#), and authorised by the [Financial Sector Conduct Authority](#) (“FSCA”), South Africa, license number FSP 47857. You can contact us at info@tradecapitalmarkets.com or by calling at +357 22 030446.

ALERT – You are about to purchase a complex product which may be difficult to understand.

What is this Product?

Type

A contract for difference (CFD) is a form of derivative trading, with this document providing you with key information on CFDs where the underlying instruments are Bonds.

Visit our [website](#) for information in relation to the available CFDs on Bonds.

You may choose to Buy (go “long”) CFD units or to Sell (go “short”) CFD units depending on whether you think the price of the underlying instrument will go up or down. For every point the price of the instrument moves in your favor, you gain multiples of the number of the CFD units you have bought or sold. For every point the price moves against you, you will make a loss. Therefore, your return depends on the size of the performance (or movement) of the underlying instrument and the size of your position.

CFDs are leveraged products commonly traded on margin, which means that you only need to deposit a small percentage of the full value of the trade in order to open a position and to keep your position(s) open. This is called the initial margin and maintenance margin respectively.

Please note that margin trading requires extra caution: whilst trading on margin allows you to magnify your returns, your losses will also be magnified as they are based on the full value of the CFD position.

Objectives

The objective of trading CFDs is to speculate (generally over the short term) on the rising or falling prices of an underlying instrument, without owning it. A CFD allows you to obtain an indirect exposure to an underlying asset. This means that you will never own the underlying asset, but you will make gains or suffer losses as a result of price movements in the underlying asset to which you have an indirect exposure.

As an example, if you enter a Buy trade on a CFD where the underlying price is 1,000 USD you will need to place an initial margin in order to be able to trade. Assuming the margin is 1:10, this means that the minimum margin you will need to place is 100 USD. If the price increases to 1,100 USD you will profit 100 USD less any applicable costs (listed below). If the price reduces to 950 USD you will lose 50 USD plus any applicable costs (listed below).

CFDs in general do not have a recommended holding period or a pre-defined maturity date. It is up to you when to open and close a position. Applied leverage is predominantly dynamic and reduces proportionally to the entered volume. The Company reserves the right to terminate products with immediate effect if extraordinary events occur. Should your margin level fall below the Margin Close Out Level of 50%, you will receive a margin call and your open positions will start liquidating, starting with the highest losing positions first.

Intended Retail Investor

Trading in this product will not be appropriate for all investors and would most commonly be utilized by persons who meet one or more of the following criteria: i) have experience with financial markets; ii) understand the impact and risks associated with margin trading and how the prices of CFDs are derived; iii) are trading with money which they can afford to lose; iv) have a high

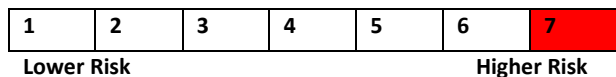
risk tolerance; and v) intend to use the product for short-term investment, speculative trading, portfolio diversification and/or hedging of exposure of an underlying asset.

Does this Product Have a Sustainable Investment Objective?

This product does not: i) have a sustainable investment objective; ii) does not include a minimum share of sustainable investments; iii) does not have a minimum share of investments in economic activities that qualify as environmentally sustainable under the EU Taxonomy; and iv) does not consider principal adverse impacts on sustainability factors.

What are the Risks and What Could I get in Return?

Risk Indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. **We have classified this product as 7 out of 7, which is the highest risk class.** These rates classify the potential losses from future performance of the product at a very high level.

CFDs are leveraged products that due to underlying market movement, can generate losses rapidly. However, the total loss that you may incur will never exceed your invested amount. The Company offers Negative Balance Protection (“NBP”), meaning that you will never be in a position to lose more funds than the amounts invested with the Company.

Specific market conditions (such as high volatility of the markets) might adversely affect your positions. In case you do not maintain the minimum margin that is required or if you contravene market regulations, we may be obliged to close one or more of your open positions at a less favourable price. This could significantly impact how much you get back.

This product does not include any protection from future market performance, so you could lose some or your entire invested capital. This includes your deposit(s) as well as any accumulated profits. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section “What Happens if the Company is Unable to Pay Out?”). The indicator shown above does not consider this protection.

CFD Risks
• Capital protection against Market Risk, Credit Risk and Liquidity Risk is not available.
• Currency Risk is present as you can buy or sell CFDs in a different currency than the one in your account, thus your return depends on the relevant exchange rate.
• Technology Risk is present as electronic platforms are being used, and downtimes may occur which could affect the ability to trade.
• Market volatility may affect the pricing and trading conditions of instruments.
• Leverage magnifies profits as well as losses.
• Costs and Charges, may have an impact on the overall return.

Performance Scenarios

The scenarios presented illustrate how an investment could perform. A comparison with the scenarios of other products can be performed. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower. What you get will vary depending on how the market performs and how long you hold the CFD. The stress scenario shows what you might get back in extreme market conditions, and does not take into account the situation where we are not able to pay you.

CFDs on Bonds – US 30 Year Bond (held intraday)			
Metrics		Bid	Ask
Balance (USD)	1,000	-	-
Opening Price	OP	139.95	140.27
Trade Size	TS	100	100
Margin (%)	M	20%	20%
Margin Requirement (USD)	OP x TS x M	2,799.00	2,805.40
Notional Value of the Trade (USD)	OP x TS	13,995.00	14,027.00

	Long Position (USD)			Short Position (USD)		
	Closing Price	Price Change	Profit/Loss	Closing Price	Price Change	Profit/Loss
Favourable	142.37	1.50%	210.40	137.85	-1.50%	209.93
Moderate	141.11	0.60%	84.16	139.11	-0.60%	83.97
Unfavourable	138.17	-1.50%	-210.41	142.05	1.50%	-209.92
Stress	131.85	-6.00%	-841.62	148.35	6.00%	-839.70

What Happens if the Company is Unable to Pay Out?

The Company is a member of the Investor Compensation Fund for Customers of Cyprus Investment Firms (“CIFs”) and other Investment Firms (“IFs”) which are not credit institutions. The Fund was established under the Investment Firms Law 2002, as amended and replaced by Law 144(I)/2007, and the Establishment and Operation of an Investor Compensation Fund for Customers of CIFs Regulations of 2001. If, following a default, we cannot meet our obligations, depending on the type of business and the circumstances of the claim, the Fund covers up to €20,000 per person, per firm. For further information please check the information [here](#).

What are the Costs?

Before you begin to trade CFDs, you should familiarize yourself with all one-off and on-going costs for which you may be liable. These charges will reduce any net profit or increase your potential losses. The impact of the different types of costs on the return you might have from your investment is outlined below. Please refer to the [Charges and Fees](#) page and on the [Costs and Charges Disclosures](#) document on the website for more information.

One-off Charges – At the time of your trade	Commission	Not applicable.
	Spread	When trading CFDs you must pay the spread, which is the difference between the bid and the ask price. Our spreads are variable or may be a subject to a minimum, and are added on top of the market spread.
	Currency Conversion Fee	A conversion fee is applied when you have an account that is denominated in a currency that is not of the same currency as the instrument being traded. The fee is applied as a fixed percentage of the conversion rate used and is reflected as a markup.
Ongoing costs	Overnight Swap	An overnight swap is an overnight interest that you are charged or credited, for holding a position overnight. If the overnight swap amount is negative, then you are charged and if the overnight swap amount is positive, then you are credited.
	Transactions Tax	The tax legislation in your country of residence may have an impact on the actual pay out of your investment.
Incidental costs		Not applicable.

How Long Should I Hold it and Can I Take Money Out Early?

CFDs have no recommended holding period. Provided that the Company is open for trading, you can enter and exit positions at any time. It is essential to be aware of the implications of trading with margin and the associated costs, if you intend to use a buy and hold strategy when trading in CFDs.

How Can I Complain?

You may file a complaint by submitting the [Complaints Form](#) via post or by hand at: 148 Strovolos Avenue, 1st Floor, Strovolos 2048 Nicosia, Cyprus, or via email at: compliance@tradecapitalmarkets.com.

All complaints will be treated strictly confidential. If you believe that your Complaint has not been handled in a fair and equitable manner by the Company you have the right to refer the matter to the Financial Ombudsman of the Republic of Cyprus (complaints@financialombudsman.gov.cy), ADR Mechanism, or the relevant Courts.

Other Relevant Information

You have a right to request a hard copy of the present document.

Leveraged trading in foreign currency contracts, contracts for difference or other off-exchange products carries a high level of risk and may not be suitable for everyone. Before trading, you are strongly advised to read the Terms and Conditions, the Order Execution Policy displayed in the legal section of our website [here](#), alongside with the [Risk Disclosure Notice](#).

Such information is also available on request.